

***United States Court of Appeals  
for the Second Circuit***



**BRIEF FOR  
APPELLEE**



# 76-7407

United States Court of Appeals

FOR THE SECOND CIRCUIT

GRIFF FABRICS, INC.,

*Plaintiff-Appellant,*

—v.—

MAIDEN MILLS INDUSTRIES, INC.,

*Defendant-Appellee.*

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

## BRIEF OF DEFENDANT-APPELLEE

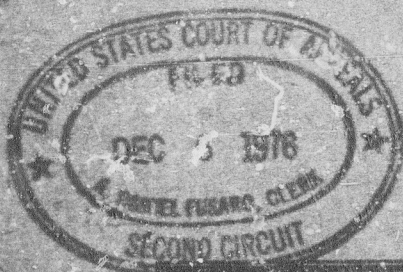
KREINDLER, RULKIN & GOLDBERG

*Attorneys for Defendant-Appellee*

500 Fifth Avenue

New York, N. Y. 10036

(212) 584-9600



## TABLE OF CONTENTS

	PAGE
Statement of the Issues .....	1
Synopsis .....	2
The Facts .....	3
1. First Piece of Fabric—No Copyright Notice ....	3
2. Second Piece of Fabric—No Copyright Notice	4
3. Institution of this Lawsuit .....	5
4. Third Piece of Fabric—Copyright Notice Stamped on Reverse Side of Hangtag Stapled to Fabric .....	5
5. Greeff's Authorization of Belle's Sale of Copies of the Design without Proper Statutory Copy- right Notice .....	6

### ARGUMENT

#### POINT I—

A Single Copyright Notice Stamped on a Detach- able Hangtag Attached to a 50-Yard Bolt of Fab- ric Containing 70 Repeats of a Design is Insuffi- cient to Comply with the Notice Requirements of 17 U.S.C. §10 .....	10
1. A single copyright notice on a 50-yard bolt of fabric containing 70 repeats of a design is insufficient to comply with the requirement of 17 U.S.C. §10 that a copyright notice shall be affixed to "each copy" of the work .....	11



	PAGE
2. A copyright notice placed on a detachable hang-tag is insufficient to comply with the requirement of 17 U.S.C. §10 that a copyright notice shall be "affixed" to each copy of the work .....	14
3. Since Greeff authorized the publication of Belle's inadequately noticed copies, Greeff forfeited its copyright in the subject design .....	17
4. The District Court's decision fully accords with the <i>Kolbe</i> and <i>Judscott</i> decisions .....	19
5. The new copyright statute .....	21

POINT II—

Section 43(a) of the Lanham Act Does Not Authorize a Claim for Application of a Copyright Symbol to a Public Domain Fabric Design. In Any Event, Since Greeff Failed to Show That It Was or Was Likely To Be Damaged by Malden's Use of a Copyright Symbol on the Reverse Side of Test Samples Containing the Subject Design, the District Court Correctly Dismissed Greeff's Claim Under Section 43(a) of the Lanham Act ... 22

1. Section 43(a) of the Lanham Act does not authorize a claim for application of a copyright symbol to a public domain fabric design 23
2. Since Greeff failed to show that it was or was likely to be damaged by Malden's use of a copyright symbol on the reverse side of test samples containing the subject design, District Court correctly dismissed Greeff's claim under Section 43(a) of the Lanham Act ..... 24

CONCLUSION ..... 29

## TABLE OF AUTHORITIES

<i>Cases:</i>	PAGE
<i>Cortley Fabrics Co. v. Slifka</i> , 138 U.S.P.Q. 110 (S.D. N.Y. 1963), <i>aff'd</i> , 317 F.2d 924 (2d Cir. 1963) .....	11
<i>Gardenia Flowers, Inc. v. Joseph Markovits, Inc.</i> , 280 F. Supp. 776 (S.D.N.Y. 1968) .....	14
<i>Harms, Inc. v. Tops Music Enterprises, Inc.</i> , 160 F. Supp. 77 (S.D. Cal. 1958) .....	24
<i>H.M. Kolbe Co. v. Armigus Textile Co.</i> , 315 F.2d 70 (2d Cir. 1963) .....	11, 12, 19, 20
<i>John Wolf Textiles, Inc. v. Andris Fabrics, Inc.</i> , 139 U.S.P.Q. 365 (S.D.N.Y. 1962) .....	12
<i>Judscott Handprints, Ltd. v. Washington Wall Paper Co.</i> , 377 F. Supp. 1372 (E.D.N.Y. 1974) .....	19, 21
<i>Key West Hand Print Fabrics, Inc. v. Serbin, Inc.</i> , 244 F. Supp. 287 (S.D. Fla. 1965) .....	12
<i>Leon B. Rosenblatt Textiles Ltd. v. M. Lowenstein &amp; Sons</i> , 321 F. Supp. 186 (S.D.N.Y. 1970) .....	12
<i>Loomskill, Inc. v. Slifka</i> , 233 F. Supp. 845 (S.D.N.Y. 1963), <i>aff'd</i> , 330 F.2d 952 (2d Cir. 1964) .....	11
<i>Louis Dejonge &amp; Co. v. Breuker &amp; Kessler Co.</i> , 235 U.S. 33 (1914) .....	11
<i>Marshall v. Proctor &amp; Gamble Manufacturing Co.</i> , 170 F. Supp. 828 (D. Md. 1959) .....	28
<i>Peter Pan Fabrics, Inc. v. Candy Frocks, Inc.</i> , 187 F. Supp. 334 (S.D.N.Y. 1960) .....	12
<i>Peter Pan Fabrics, Inc. v. Dixon Textile Corp.</i> , 280 F.2d 800 (2d Cir. 1960) .....	11

	PAGE
<i>Peter Pan Fabrics, Inc. v. Martin Weiner Corp.</i> , 274 F.2d 487 (2d Cir. 1960) .....	10, 11
<i>Peter Pan Fabrics, Inc. v. Puritan Dress Co.</i> , 207 F. Supp. 563 (S.D.N.Y. 1962) .....	12
<i>Potato Chip Institute v. General Mills, Inc.</i> , 333 F. Supp. 173 (D. Neb. 1971) .....	28
<i>Scarves by Vera, Inc. v. United Merchants and Manufacturers, Inc.</i> , 173 F. Supp. 625 (S.D.N.Y. 1959) .....	14
<i>Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc.</i> , 495 F.2d 1265 (2d Cir. 1974) .....	23
<i>Trifari, Krussman &amp; Fischel, Inc. v. B. Steinberg-Kaslo Co.</i> , 144 F. Supp. 577 (S.D.N.Y. 1956) .....	14
<i>United Merchants &amp; Manufacturers, Inc. v. Sarne Co.</i> , 278 F. Supp. 162 (S.D.N.Y. 1967) .....	12
<i>United Merchants &amp; Manufacturers, Inc. v. Sutton</i> , 282 F. Supp. 588 (S.D.N.Y. 1967) .....	12
<i>Verney Corp. v. Rose Fabric Converters Corp.</i> , 87 F. Supp. 802 (S.D.N.Y. 1949) .....	12

#### STATUTES

Lanham Act Sec. 43(a), 15 United States Code	
Sec. 1125(a) .....	1, 3, 22, 23, 25
17 U.S.C. §10 .....	1, 3, 19, 11, 14
17 U.S.C. §105 .....	23
17 U.S.C. (1976 Rev.) §401 .....	21, 22
37 C.F.R. §202.2(b)(9) .....	14

# **United States Court of Appeals**

FOR THE SECOND CIRCUIT

---

GREEFF FABRICS, INC.,

*Plaintiff-Appellant,*

—v.—

MALDEN MILLS INDUSTRIES, INC.,

*Defendant-Appellee.*

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

---

## **BRIEF OF DEFENDANT-APPELLEE**

---

### **Statement of the Issues**

1. Is a single copyright notice stamped on a detachable hangtag attached to a 50-yard bolt of fabric containing 70 repeats of a design sufficient to comply with the notice requirements of 17 U.S.C. §10?

2. (a) Does Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), authorize a claim for application of a copyright symbol to a public domain fabric design?

(b) Must a party show that it is or is likely to be damaged to have standing to sue under that statute?

### Synopsis

Defendant-Appellee Malden Mills Industries, Inc. is referred to as "Malden". Plaintiff-Appellant Greeff Fabrics, Inc. is referred to as "Greeff".

Malden obtained a one-yard piece of woven fabric containing the subject design, with selvages intact but no copyright notice front or back. To make certain a copyright notice had not been accidentally omitted from this piece only, Malden obtained and examined an additional ten-yard piece of fabric containing the same design, also with selvages intact, and found no copyright notice anywhere on it. Based upon these two pieces without notice, Malden concluded the design was in the public domain and made copies of it. Thereafter, without any advance notice, Malden was served by Greeff with the summons and complaint below and an order to show cause for a preliminary injunction. This was the first time Malden had heard of Greeff and the first time Malden had heard that Greeff or anyone else claimed copyright in the design.

After this lawsuit was instituted Malden obtained a third piece of fabric containing the design, five yards long, selvages intact. There was no copyright notice anywhere on the fabric, front or back, or on the face of a hangtag which was stapled to it. However, when Malden unstapled the hangtag and turned it over, Malden found a copyright notice in the name of Greeff. The face of the ticket bore the name Belle Fabrics, Inc.

Subsequent proceedings revealed that Greeff had sued Belle for copyright infringement and, after settling that lawsuit, had licensed Belle to continue advertising, promoting, importing and selling fabric containing the design; and that Greeff had given Belle a rubber stamp with which to apply a copyright notice to the hangtags which Belle

attached to its fabric, one to each bolt containing 50 yards of fabric and 70 repeats of the design. The District Court held that this notice was insufficient to comply with the notice requirements of 17 U.S.C. §10 and, since Greeff had authorized such notice, that Greeff had forfeited its copyright in the design.

At an evidentiary hearing on Greeff's motion for a preliminary injunction it was learned that Malden had marked test samples of the accused fabric with a legend to warn prospective customers who might see them that they were only test samples and that production goods might not be identical. The legend inadvertently contained a copyright symbol. Greeff thereupon amended its complaint to add a claim under Section 43(a) of the Lanham Act. At trial Greeff failed to show that it was or might reasonably expect to be damaged by Malden's use of a copyright notice on test samples. The District Court held that Greeff thus failed to pass the threshold test for standing to sue under the Lanham Act, and dismissed that cause of action.

### **The Facts**

#### **1. First Piece of Fabric—No Copyright Notice.**

On October 21, 1975, according to the testimony of the manager of Malden's Print Division, Milton Glasser, Malden received a one-yard piece of woven fabric containing the subject design, with selvages intact, with a request to determine whether the design could be added to Malden's line of printed fabrics. Mr. Glasser examined the piece from selvege to selvege, face and reverse sides, found no copyright notice or other notation, and sent the piece to an independent screenmaker, Elm Tex Engraving (257a). Mr. Glasser then called his contact at Elm Tex, Mr. Hyrnie-

wicz, and asked him to examine the design to ascertain printability, but not to begin to make screens until further notice (260a-261a). Mr. Glasser testified:

"We wanted to make sure by inspection of another piece of cloth that there was in fact no copyright logo on the piece of cloth." (261a)

Mr. Glasser's testimony was corroborated by the screen-maker, Mr. Hyrniewicz, who testified that he received the one-yard sample from Malden on October 22, 1975 and that Mr. Glasser called him a few days later and directed him to hold the fabric for further instructions before making a screen (306a), and by Sanford Levine, Malden's national sales manager for upholstered fabrics, who testified that Mr. Glasser called him around October 21 and asked him to obtain a larger piece of fabric containing the design (316a). Mr. Glasser's testimony was further corroborated by the written record, to wit, Malden's purchase order to Elm Tex dated October 21, 1975 (defendant's Exhibit K) and Elm Tex's work order (defendant's Exhibit P) on which Mr. Hyrniewicz had noted Mr. Glasser's telephonic instructions (306a).

## **2. Second Piece of Fabric—No Copyright Notice.**

On November 10, 1975 Malden obtained another piece of fabric (defendant's Exhibit E) containing the same design. This piece was approximately 10 yards long, with selvages intact. Mr. Glasser examined it from end to end and selvege to selvege. Like the one-yard piece which Malden had obtained in October, there was no copyright or other notice anywhere on this 10-yard piece (263a). Mr. Glasser called Mr. Hyrniewicz and directed him to proceed making screens of the design (268a). Again Mr. Glasser's testimony was corroborated by Mr. Hyrniewicz's



testimony (308a) and the written record (defendant's Exhibit P).

**3. Institution of this Lawsuit.**

On or about March 11, 1976, without any advance notice, Malden was served by Greeff with the summons and complaint below and an order to show cause for a preliminary injunction. Mr. Glasser testified:

"Q. Had you, before that, known that Greeff claimed copyright in this design?

A. I never heard of Greeff before this.

. . .

Q. Did you know that anyone claimed a copyright on this design?

A. No, sir." (271a-272a).

**4. Third Piece of Fabric—Copyright Notice Stamped on Reverse Side of Hangtag Stapled to Fabric.**

After this lawsuit was instituted, Malden obtained a third piece of fabric (defendant's Exhibit F) containing the design (272a). This piece was five yards long, with selvages intact. Like the first two pieces of fabric obtained by Malden, this five-yard piece had no copyright notice anywhere on the fabric, front or reverse sides. Unlike the first two pieces, however, this one had a hangtag stapled to it (sample reproduced in court's footnotes at 438a). There was no copyright notice on the face of this hangtag, which only identified a company, Belle Fabrics, Inc. (presumably the shipper) and contained numbers relating to piece, pattern, color, yards, etc. In the normal course of things neither Malden nor any other company would have looked any further, but would simply have concluded that no copyright was claimed in the design. However, since a lawsuit was already pending in connection with this

design, Mr. Glasser unstapled the hangtag and examined the reverse side of it (273a). On the reverse side, and therefore not visible unless and until one removed the tag and turned it over, was a stamped copyright notice in the name of Greeff. As this tag suggested, Belle was Greeff's licensee.

**5. Greeff's Authorization of Belle's Sale of Copies of the Design without Proper Statutory Copyright Notice.**

There is no need to dissect the license agreement between Greeff and Belle to determine whether the copyright notice used by Belle was authorized by Greeff. Fof Greeff not only admitted below that Belle's notice was authorized, Greeff *insisted* upon it. In a memorandum to the Court in support of Greeff's motion for a preliminary injunction, Greeff's attorneys, who negotiated the license agreement and supplied the rubber stamp copyright notice, stated unequivocally:

"Belle's use of the copyright notice is rigorous and in accordance with the requirements of the limited license." (431a)

Indeed, Greeff's attorneys prepared (183a) for the president of Belle, Jeremiah Lewkowicz, and submitted to the Court in support of Greeff's motion for a preliminary injunction, an affidavit (defendant's Exhibit I, reproduced at 392a-394a) in which Mr. Lewkowicz, after detailing his use of a single hangtag per 50-yard piece for purposes of the copyright notice, stated:

"I have at all times scrupulously applied the Greeff copyright notice to all CAMELOT fabric [Belle's version of Greeff's design] sold or displayed in any form in strict accordance with the requirements of the limited license." (393a)

Judge Cannella denied Greeff's motion for a preliminary injunction (53a et seq.). After holding Belle's placement of the notice on a hangtag, one per 50-yard bolt, to be legally insufficient, Judge Cannella found that "Petitioner [Greeff] seems to have been aware of Belle's method of affixing the copyright notice to the infringing fabric . . ." (63a). Judge Cannella added: "In fact, Greeff has made no attempt to contradict this assertion" (68a).

As soon as Judge Cannella published his decision that Belle's notice was inadequate, however, Greeff's attorneys, the same attorneys who had assured the Court that Belle's notice was "in accordance with the requirements of the limited license" and who had prepared for Belle's president an affidavit detailing the hangtag notice used by Belle, attempted to persuade the Court that neither they nor their client ever knew what Belle was using for a copyright notice! Judge Cannella was not persuaded by this sudden change in position:

"After taking the position at the preliminary injunction stage of these proceedings that this notice was in complete conformity with statutory requirements (a position rejected by this court's decision of April 13, 1976) as well as the licensing agreement, plaintiff [Greeff] switched horses in midstream and attempted to show at trial that prior to the institution of this action it possessed no knowledge whatsoever of Belle's method of affixing the copyright notice to the fabric." (434a)

Judge Cannella concluded:

"The Court finds that after October 20, 1975 [the date of the license agreement between Greeff and Belle], Greeff knew that Belle was selling fabric

embodying the subject design which did not have sufficient copyright notice affixed thereto." (433a)

But Greeff did much more than merely acquiesce in Belle's inadequate notice. When Belle came to Greeff, after Greeff sued Belle for copyright infringement, Belle came as a suppliant on its knees. Belle's attorney, Norman Popper, testified at trial as follows:

"Q. When you went to the Stolls [Greeff's attorneys] to negotiate the settlement, did you tell them either they give a license or no settlement?

A. No.

Q. When you went in there, you were in the position, weren't you, of a suppliant to a person saying, 'Look, you have got me dead to rights. I won't do it any more. We'll pay you \$10,000 and by the way we would like a license?

Is that what happened?

A. I think that's quite accurate.

Q. So the license wasn't a condition to the settlement of the lawsuit, was it?

A. No." (246a-247a)

In other words, Greeff was entirely in the driver's seat and in a position to impose upon Belle whatever settlement suited Greeff. Greeff's attorneys did just that, exacting from Belle a penalty of \$10,000, which Belle paid (171a). Then, seeing a good thing, Greeff freely granted Belle a license, denominated "limited" but actually limited only in time—and the time limit was subsequently extended (390a-391a), to continue importing, promoting, advertising and selling fabric containing Greeff's design upon payment of royalties to Greeff (387a-389a).

Since the license referred to a copyright notice, Mr. Lewkowicz, the president of Belle, asked Greeff's attorneys

to prescribe precisely the form of notice they desired, as follows:

"In fact, in order to avoid possible misunderstandings or errors, I asked Greeff's attorney to provide the proper copyright notice to me and this was done in the form of a rubber stamp." (Lewkowicz affidavit of March 17, 1976 reproduced at 392a-394a, quoted language from paragraph 3 at 393a.)

At trial Mr. Lewkowicz testified with respect to this rubber stamp as follows:

"Q. Did you receive a rubber stamp from the attorneys for Greeff?

A. Yes.

Q. Were you told that this was the rubber stamp that you were to use to apply the copyright notice to your fabric?

A. Yes.

Q. Could that rubber stamp be used to apply a copyright directly to the fabric?

A. I doubt—no.

Q. It couldn't be?

A. No.

Q. Could it be used to apply a copyright notice to the hang tag that you used with your fabric?

A. Yes." (177a-178a)

Thus it was established that Greeff's attorneys provided Belle with a copyright notice which *could only* be applied to the hangtags which Belle affixed to its bolts of fabric. Judge Cannella specifically found that "the method it [Greeff] provided was clearly not suited for affixation of a notice at every repeat of the design" (435a). Moreover, at trial, Malden demonstrated a simple, inexpensive and

widely used procedure for applying a copyright notice directly to the kind of fabric imported by Belle (281 et seq.). The demonstration, using a hand iron, took a matter of only seconds (as timed by the Court, 282a) and Malden's witness, Mr. Glasser, testified that it could be done much faster in actual production (285a). Judge Cannella concluded:

"In sum, defendant has satisfied its burden of proving that the sale of Camelot fabric by Belle without statutory copyright notice was authorized by Greeff, the copyright owner. The design was therefore forfeited to the public domain and could not be the subject of an infringement." (436a-437a)

## ARGUMENT

### POINT I

**A Single Copyright Notice Stamped on a Detachable Hangtag Attached to a 50-Yard Bolt of Fabric Containing 70 Repeats of a Design is Insufficient to Comply with the Notice Requirement of 17 U.S.C. §10.**

It is important to note at the outset that Malden is not attempting to avoid its proper responsibility by asserting a technical defense. The purpose of the copyright notice is, of course, to give warning to potential users that they may be infringing on another's rights. This fundamental principle of copyright law has been fully respected even when statutory notice requirements have been somewhat liberalized. See, e.g., *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487 (2d Cir. 1960). The record is clear that the insufficient notice used by Greeff's licensee failed to give Malden notice that anyone claimed copyright in the subject design.

Title 17, United States Code, §10 provides:

"Any person entitled thereto by this title may secure copyright for his work by publication thereof with the notice of copyright required by this title; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor . . . ."

1. **A single copyright notice on a 50-yard bolt of fabric containing 70 repeats of a design is insufficient to comply with the requirement of 17 U.S.C. §10 that a copyright notice shall be affixed to "each copy" of the work.**

The *locus classicus* of the stated principle is the opinion of Justice Holmes in *Louis Dejonge & Co. v. Breuker & Kessler Co.*, 235 U.S. 33 (1914). The plaintiff copyrighted a watercolor painting and reproduced it on wrapping paper—twelve reproductions but only one copyright notice per sheet of wrapping paper. The United States Supreme Court held that such notice was insufficient to comply with the notice requirements of the copyright statute, with the result that the plaintiff lost its copyright in the painting.

Since the decision in the *Dejonge* case, federal courts have frequently been faced with the question of what is sufficient notice of copyright under 17 U.S.C. §10 where, as here, the copyrighted work was reproduced on a continuous roll of fabric. This Court has consistently held, and upheld the district courts in holding, that the copyright notice must appear at least once on every repeat of the copyrighted fabric design. *H. M. Kolbe Co. v. Armagus Textile Co.*, 315 F.2d 70 (2d Cir. 1963); *Peter Pan Fabrics, Inc. v. Dixon Textile Corp.*, 280 F.2d 800 (2d Cir. 1960); *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487 (2d Cir. 1960); *Loomskill, Inc. v. Slifka*, 223 F. Supp. 845 (S.D.N.Y. 1963), *aff'd*, 330 F.2d 952 (2d Cir. 1964); *Cortley*



*Fabrics Co. v. Slifka*, 138 U.S.P.Q. 110 (S.D.N.Y. 1963), *aff'd*, 317 F.2d 924 (2d Cir. 1963). *Accord*, *Leon B. Rosenblatt Textiles Ltd. v. M. Lowenstein & Sons*, 321 F. Supp. 186 (S.D.N.Y. 1970); *United Merchants & Manufacturers, Inc. v. Sutton*, 282 F. Supp. 588 (S.D.N.Y. 1967); *United Merchants & Manufacturers, Inc. v. Sarne Co.*, 278 F. Supp. 162 (S.D.N.Y. 1967); *Key West Hand Print Fabrics, Inc. v. Serbin, Inc.*, 244 F. Supp. 287 (S.D. Fla. 1965); *John Wolf Textiles, Inc. v. Andris Fabrics, Inc.*, 139 U.S.P.Q. 365 (S.D.N.Y. 1962); *Peter Pan Fabrics, Inc. v. Puritan Dress Co.*, 207 F. Supp. 563 (S.D.N.Y. 1962); *Peter Pan Fabrics, Inc. v. Candy Frocks, Inc.*, 167 F. Supp. 334 (S.D.N.Y. 1960); *Verney Corp. v. Rose Fabric Converters Corp.*, 87 F. Supp. 802 (S.D.N.Y. 1949).

Furthermore, when Greeff registered its claim to copyright in the subject design with the United States Copyright Office, Greeff deposited as copies two pieces of the fabric, each of which was 55½" long (81a). In *H. M. Kolbe v. Armigus Textile Co.*, 315 F.2d 70 (2d Cir. 1963) this Court held (at 73):

"In the case of continuous textile designs, therefore, we view the officially-deposited 'copy' as setting no more than an outer limit within which published copies must bear the statutory notice."

Based upon the *Kolbe* holding, Judge Cannella ruled:

"Since petitioner's [Greeff's] officially-deposited copies are less than three yards in length\* the single copyright notice affixed by Belle to the fifty-yard rolls it produced is insufficient to protect Greeff's copyright." (60a)

---

\* It had been so stipulated for purposes of Greeff's motion for a preliminary injunction (15a). At trial it was established that Greeff's deposit copies were each 55½" long (81a).

Indeed, Greeff has virtually admitted that it deems each repeat of the design a separate copy thereof. First, Greeff affixed a separate copyright notice to each repeat of the design in its own fabric (115a). Second, in paragraph 11 of its Amended Complaint (6a), Greeff claimed that each repeat made by Malden constituted an infringing copy. Third, Greeff sought damages for "every infringing repeat" made by Malden (Amended Complaint, *ad damnum* clause ¶b, 9a).

Nevertheless, and notwithstanding the uniform precedent to the contrary, Greeff argued below and argues again to this Court that it was adequate for Belle to use only one copyright notice per 50-yard piece containing 70 repeats of the design, because Belle allegedly never sold fabric in less than full pieces. Even if Greeff had been able to prove this allegation, the cases make clear that Belle's notice was inadequate. But Greeff failed at trial to establish how Belle sold its fabric. Greeff's only witness with respect to its contention that Belle only sold fabric in full pieces, was Belle's president, Jeremiah Lewkowiez. Judge Cannella found Mr. Lewkowiez's testimony unworthy of belief:

"You know, when I listened to Mr. Lewkowiez there was never a time that he made a categorical statement that I remember. He was such a witness that I wouldn't buy a three-dollar bill from him. . . ." (265a)

The Court may also have been impressed by the fact that Malden had had no difficulty on three different occasions in obtaining Belle fabric in far less than full pieces.

2. A copyright notice placed on a detachable hangtag is insufficient to comply with the requirement of 17 U.S.C. §10 that a copyright notice shall be "affixed" to each copy of the work.

Greeff admitted that the only notice of copyright which appeared on 50-yard bolts of fabric containing the subject design and sold under Greeff's authority was stamped on a detachable hangtag attached to each bolt. As a matter of law, such a notice is insufficient and results in a forfeiture of the copyright.

The courts in this circuit have consistently held that hangtags, which by their nature are easily removable and indeed are often removed (as evidenced by the two pieces of fabric obtained by Malden without hangtags), do not suffice as a place for the copyright notice. This was the express holding of *Trifari, Krussman & Fischel, Inc. v. B. Steinberg-Kaslo Co.*, 144 F. Supp. 577 (S.D.N.Y. 1956). In *Scarves by Vera, Inc. v. United Merchants and Manufacturers, Inc.*, 173 F. Supp. 625 (S.D.N.Y. 1959), Judge (now Chief Judge) Edelstein stated (at 628):

"There is no doubt that the hangtag does not meet the statutory requirement."

In *Gardenia Flowers, Inc. v. Joseph Markovits, Inc.*, 280 F. Supp. 776 (S.D.N.Y. 1968), Judge Levet noted (at 783):

"[T]he law is clear that notices which appear on paper tags attached to articles do not meet the requirement of affixation in 17 U.S.C. §10."

The United States Copyright Office will not even accept for registration an application for copyright where the only copyright notice is on a detachable hangtag. 37 C.F.R. §202.2(b)(9).

Nevertheless Greeff, having authorized the use of a detachable hangtag, attempts to overcome this uniform precedent against it by arguing that there allegedly is a custom in the upholstered furniture trade (the actual user of the fabrics in question) whereby a hangtag is kept with a bolt of fabric until the entire bolt is consumed, so that no fabric ever enters or circulates in the market without a hangtag attached. But Greeff failed to provide any credible evidence of such an industry practice among manufacturers of upholstered furniture.

First Greeff offered the testimony of Daniel M. Drinkard (129a et seq.). This was a young man who had been directly involved in the upholstered furniture trade for only two years, before which he was only concerned with financial affairs (132a-137a). Moreover, on cross-examination Mr. Drinkard admitted that Greeff was a very important source for his company, that he very much wanted Greeff to continue selling to him (his former company had been unable to get the Greeff line), and that he appeared voluntarily and not under subpoena (147a-148a).

Greeff's next witness was Richard Chwatt (213a et seq.). Mr. Chwatt had current experience as a manufacturer of light-weight double knits (an entirely different cloth from the heavy woven cloth involved in this case) and was formerly associated with a dyeing and finishing company. The court sustained Malden's objections to Mr. Chwatt's qualifications as an expert and held—*and this was after Mr. Drinkard testified*:

“But it seems to me you should have gotten an expert in the field rather than someone in a related area, who has minimal contact with this.” (227a)

Greeff's third and final witness on this point was Myron A. Fogel, portions of whose deposition Greeff's attorney read into the record (319a et seq.). Mr. Fogel was a former

salesman of Malden who had been fired for incompetence (360a), who had attempted without success to get a job from Belle (357a), and who had never worked for any furniture manufacturer or *any* user of the kind of fabric produced by Malden (254a).

That was Greeff's "evidence" on this point which Greeff claims is crucial to its argument that Belle's hangtag notice was adequate. Judge Cannella may well have been persuaded, by this palpably inadequate showing, that there was no such trade usage as Greeff was claiming. But Malden did not rely only on Greeff's lack of proof. Malden offered the following testimony of Sanford Levine, Malden's national sales manager, to show that, contrary to the claims of Greeff's inexperienced and/or interested witnesses, furniture manufacturers regularly remove the fabric supplier's tags and replace them with their own:

"Q. Mr. Levine, have you got personal knowledge of the use of piece tickets by manufacturers of upholstered furniture?

A. Yes, I do.

Q. Would you give the basis of that knowledge?

A. Well, as part of my job, I visit virtually every customer in the United States, and I go to most of their factories, and in the course of that visit I see mostly what they do, how they store goods, how they cut goods, how they manufacture the furniture and so forth.

Q. Do you see the bolts of fabric that you ship to them?

A. Yes.

Q. When you ship a bolt, is there a piece ticket on it?

A. Yes.

Q. Can you tell what the customer does with the bolt?

A. It is entered by the receiving department. The ticket is almost always taken off of that piece. The customer's own ticket is affixed to that piece. It is then compared with the receiving record. Both documents go up to the bookkeeping department so it can be compared with an invoice, which of course comes in from Malden, so they can see if they got billed for they [sic] received.

The reason they take off the tickets as a rule is, those companies are computerized, and they use numbers that have no relationship to the numbers from Malden and Company, and they use their own color sequence as to the name or number that particular mill uses.

One of the other reasons is that it is mostly a secretive type arrangement where they don't want even their own employees or outsiders to who [sic] actually is supplying a different fabric to them, so that in most instances the original tickets are taken off the pieces and they are entered into that company." (360a-362a)

**3. Since Greeff authorized the publication of Belle's inadequately noticed copies, Greeff forfeited its copyright in the subject design.**

Ever since the District Court held that the notice used by Belle was inadequate to protect Greeff's copyright in the subject design, Greeff has attempted to avoid the consequences thereof by claiming that it was not even aware of how Belle was affixing the Greeff copyright notice to the licensed fabric. Based upon its claim that it did not even know what Belle was doing, Greeff argues that it could not have authorized such conduct. Greeff made these

arguments to the District Court and still claims (p. 38 of its brief) that "Belle's allegedly insufficient notice method was never brought to plaintiff's attention."

But this claim is demonstrably incredible. For example, on March 17, 1976 Jeremiah Lewkowicz, the president of Belle, executed an affidavit (defendant's Exhibit I, reproduced at 392a-394a) in which Belle's method of stamping Greeff's copyright notice on hangtags was described in detail. This affidavit was submitted by Greeff's attorneys to the District Court in support of Greeff's motion for a preliminary injunction—indeed, the affidavit was prepared by Greeff's attorneys and Mr. Lewkowicz signed it in their office (183a). Furthermore, the District Court found (434a) that the rubber stamp copyright notice supplied to Belle by Greeff's attorneys could only be applied to a hangtag—it was physically impossible to apply it directly to the fabric, where it belonged—and Greeff failed to prescribe, in Judge Cannella's words, "at least two relatively simple and inexpensive methods of permanently affixing the notice directly to the fabric at every repeat" (434a). Judge Cannella accordingly found:

"The Court finds that after October 20, 1975 [the date the license agreement between Greeff and Belle was executed] and prior to the institution of this action, Greeff knew that Belle was selling fabric embodying the subject design which did not have sufficient copyright notice affixed thereto" (433a).

If there were still any doubt whether Greeff had authorized Belle's inadequate notice, Greeff's attorneys laid such doubt to rest when they assured the District Court that "Belle's use of the copyright notice is rigorous and in accordance with the requirements of the limited license" (431a). It is difficult to see how they can now claim that Judge Cannella was in error when he believed them.



**4. The District Court's decision fully accords with the *Kolbe* and *Judscott* decisions.**

Greeff's attempt (pp. 32 et seq. of its brief) to set up a conflict between Judge Cannella's decision and this Court's decision in *H. M. Kolbe Co. v. Armigus Textile Co.*, 315 F.2d 70 (2d Cir. 1963) and the decision of Judge Neaher in *Judscott Handprints, Ltd. v. Washington Wall Paper Co.*, 377 F. Supp. 1372 (E.D.N.Y. 1974), is ill conceived.

In *Kolbe*, the copyright proprietor brought an action against a textile converter (a middleman who purchases unfinished fabric, has it printed or dyed, and then sells it) who sold infringing copies of the copyrighted fabric design, and two garment manufacturers who purchased the fabric from the converter. After the action was commenced, the plaintiff settled with the garment manufacturer by permitting them to sell off garments they had manufactured or were in the process of manufacturing, but refused to let them sell off any uncut fabric. The converter claimed that the plaintiff had lost its copyright when it acquiesced in the selling off of garments without adequate copyright notice. This Court rejected such argument for three reasons pertinent to this action:

1. In *Kolbe*, this Court deemed the plaintiff "powerless to control" (315 F.2d at 75) the activities of the garment manufacturers with respect to garments they had already manufactured or were in the process of manufacturing. Here, by contrast, Greeff had total control over Belle, who came as a suppliant on its knees after its attorney warned its president of the dire consequences which would befall Belle if it did not settle the lawsuit on Greeff's terms.

2. In *Kolbe*, this Court found, with respect to the plaintiff's acquiescence in the selling off of garments, that "Kolbe had no interest in furthering these competing sales" (315 F.2d at 74) and only acquiesced therein for the purpose

of settling the lawsuit. Here, by contrast, Greeff's lawsuit against Belle was settled before the license was entered into; Greeff was in the driver's seat and did not have to agree to anything; and far from having no interest in furthering Belle's sales, Greeff had already at the time of trial received from Belle more than \$16,000 on account of such sales (in addition to the \$10,000 which Belle paid to settle the lawsuit). In this regard Judge Cannella noted:

"In fact, sales which had totalled only 11,000 yards prior to the execution of the licensing agreement have increased to a point where, at the time of trial, *monthly* sales approached that amount." (436a) (Emphasis in original.)

Furthermore, virtually all the fabric sold by Belle under the license—some 55,000 yards—was imported by Belle after the license was entered into, since at the date of its settlement with Greeff, Belle had at most 100 yards in inventory (172a-173a). Judge Cannella found:

"Although . . . Jeremiah Lewkowicz, president of Belle Fabrics . . . describes the October 20 licensing agreement as a limited license providing for the orderly closeout of Belle's Camelot line, it is apparent to the Court that this was not the case." (436a)

3. In *Kolbe*, the plaintiff carefully limited its acquiescence to garments and refused to permit the selling off of uncut fabric. Thus the plaintiff in *Kolbe* took every possible precaution to protect innocent persons from unwittingly infringing its copyright, since copyright notices are in any event cut off fabric in the process of manufacturing garments, while the public is entitled to rely on the absence of a copyright notice on uncut fabric. Here, by contrast, Greeff not only authorized Belle to sell off uncut fabric it had in stock (which was insignificant) but expressly au-

thorized Belle to promote, advertise, obtain and fill new orders for which Belle would have to import new fabric from its Belgian supplier.

In *Judscott*, there was not even a finding that the copy right proprietor had acquiesced in, much less licensed, inadequately noticed copies (377 F. Supp. at 1378-79). Indeed, the court in *Judscott* found that the copyright proprietor did not even have knowledge of the sale of any copies of its work without adequate copyright notice (377 F. Supp. at 1380).

Judge Cannella was thus fully supported by the evidence when he found:

"The Court further finds that the Greeff-Belle licensing agreement, and Belle's sales thereunder, extend far beyond the scope of the *Kolbe-Judscott* exception" (433a).

##### **5. The new cop. right statute.**

Greeff's attorneys cite and discuss at length (pp. 45-60 of their brief herein) the copyright revision statute just passed by Congress and signed by the President on October 19, 1976. This statute, which became law three months after the decision appealed from was rendered, is clearly inapplicable here since, as Greeff admits (p. 46 of its brief), it provides that "All causes of action that arose under title 17 before January 1, 1978, shall be governed by title 17 as it existed when the cause of action arose."

But Judge Cannella's decision is just as correct under the new statute as under the one currently in force. Notice of copyright will still be required (§401) and although the Register of Copyright is empowered to promulgate regulations regarding placement, her power is limited by the words "in such manner and location as to give reasonable

notice of the claim of copyright" (§401(c)). As this case shows, notice on a hangtag attached to a 50-yard bolt of fabric containing 70 repeats of a design does not give reasonable—did not give Malden *any*—notice of Greeff's claim to copyright.

## POINT II

**Section 43(a) of the Lanham Act Does Not Authorize a Claim for Application of a Copyright Symbol to a Public Domain Fabric Design. In Any Event, Since Greeff Failed to Show That It Was or Was Likely To Be Damaged by Malden's Use of a Copyright Symbol on the Reverse Side of Test Samples Containing the Subject Design, the District Court Correctly Dismissed Greeff's Claim Under Section 43(a) of the Lanham Act.**

At an evidentiary hearing on Greeff's motion for a preliminary injunction it was learned that Malden had inadvertently included a copyright symbol on the reverse side of a test sample (a "strikeoff") of fabric containing the subject design (45a-46a). Thereafter, Greeff amended its complaint to add a second cause of action under Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a) (7a-8a). Although Malden moved to dismiss this cause of action as failing to state a claim upon which relief could be granted, the District Court declined to consider the motion and instead invited the parties to an early trial on the merits. Since Greeff did not show at trial that it was or was likely to be damaged by Malden's use of a copyright symbol on the reverse side of its test samples, Judge Cannella dismissed Greeff's Lanham Act claim.

**1. Section 43(a) of the Lanham Act does not authorize a claim for application of a copyright symbol to a public domain fabric design.**

At the outset it is to be noted that no court has ever found a violation of the Lanham Act where a party affixed a copyright symbol to a public domain work or, for that matter, to a work in which copyright was claimed by another. This is doubtless because the copyright statute expressly deals with the affixation of a copyright notice to a work in which the affixer does not claim copyright, as follows:

"Any person who, with fraudulent intent, shall insert or impress any notice of copyright required by this title . . . in or upon any uncopyrighted article . . . shall be guilty of a misdemeanor, punishable by a fine of not less than \$100 and not more than \$1,000." 17 U.S.C. §105.

Since the copyright statute does not also authorize a civil cause of action for misuse of a copyright symbol, it is clear that only a criminal action, provided "fraudulent intent" can be shown, will lie therefor.

Greeff nevertheless attempted through the Lanham Act to circumvent the clear congressional intent evinced by 17 U.S.C. §105. This is improper. As stated by this Court two years ago, in an opinion written by Judge Friendly in *Societe Anonyme des Parfums Le Galion v. Jean Patou, Inc.*, 495 F.2d 1265, 1270 n.6 (2d Cir. 1974):

"Section 43(a) is intended to reach false advertising violations, not false registration claims."

When Greeff's putative claim under the Lanham Act is examined, it becomes apparent that Greeff was really at-

tempting to use the Lanham Act as an alternative ground upon which to base a copyright infringement claim in case the Court found that it had forfeited its copyright by authorizing the publication of inadequately noticed copies. Thus in its *ad damnum* clause Greeff sought an injunction to preclude Malden "from palming-off its copy of plaintiff's *copyrighted* CONTEMPLATION fabric design . . ." (10a) (emphasis added). And in its brief in this Court (p. 66) Greeff states:

"What plaintiff objects to is defendant's manufacture and sale of an infringing copy of plaintiff's *copyrighted* design and the affixation to samples of that *infringing* copy of a false copyright notice claiming the *infringing* copy as defendant's own copyrighted design." (Emphasis added.)

Thus what Greeff attempted to do was to seek a full measure of recovery under the Copyright Act and at the same time to assert an alternative ground under the Lanham Act for obtaining precisely the same recovery on account of precisely the same conduct by Malden. Such an attempt was held improper in *Harms, Inc. v. Tops Music Enterprises, Inc.*, 160 F.Supp. 77, 81 (S.D. Cal. 1958), where the court stated:

"While protection may be afforded to the appropriation of a title as unfair competition, an owner of a *copyrighted* song who sues in one claim for the full measure of recovery allowed by the copyright law will not be allowed to recover in another claim for unauthorized use of the title." (Emphasis in original.)

Greeff's attempt thus to use the Lanham Act as, in effect, a super-copyright act with perpetual duration, is patently

improper on its face. Certainly Congress did not provide the Lanham Act as a consolation prize for a party who forfeited his copyright.

2. **Since Greeff failed to show that it was or was likely to be damaged by Malden's use of a copyright symbol on the reverse side of test samples containing the subject design, District Court correctly dismissed Greeff's claim under Section 43(a) of the Lanham Act.**

At the outset of the trial it was agreed between counsel for the parties, and accepted by the Court, that the issue of damages would be postponed pending a determination on the merits (82a). However, Malden's counsel carefully pointed out that, since Greeff could only have standing to sue under the Lanham Act if it had incurred damages, Greeff would have to make a showing of damages to support its Lanham Act claim. Greeff's counsel accepted the obligation to do this, in the following colloquy (82a-83a):

"Mr. Goldberg: In connection with the stipulation as to damages, which we believe is customary in copyright cases, there is one additional factor in this case, and that is in the second cause of action, under the Lanham Act, the plaintiff could only have standing if the plaintiff had damages. In that connection we believe the issues of damages, limited to the question of copyright symbols on the strikeouts, would have to be part of the copyright suit.

Mr. Robert Stoll: We shall endeavor to make a showing of damages preliminarily just to satisfy that point, your Honor."

But Greeff utterly failed to show that it was or was likely to be damaged by Malden's use of a copyright symbol



on the back of its strikeoffs. Indeed, Greeff was unable to produce a single witness (other than its own president) who had ever seen the copyright symbol on the back of Malden's test samples.

Greeff first attempted to show damage or the likelihood of damage through its president Richard C. Johann. But Mr. Johann was obliged to admit on cross-examination that no one had ever complained to him about a Malden copyright symbol:

"Q. Mr. Johann, so there won't be any question about it, has any customer of Greeff come to you and told you or in any way suggested to you that your copyright on 'Contemplation' wasn't authentic because they had seen a copyright notice on a Malden fabric?

A. Not to my knowledge." (110a)

The only other witness offered by Greeff on this crucial point was Daniel M. Drinkard, the president of an upholstery company located in North Carolina, a customer of Greeff for the fabric in question. But it turned out that Mr. Drinkard had never seen a copyright symbol on the Malden fabric. Mr. Drinkard testified on direct examination as follows:

"Q. Are you aware of the existence of Malden fabric containing patterns similar to the Greeff 'Contemplation', have [sic] a 'Malden' 'C' in the circle on the back?

A. I am aware of the pattern not [sic] being in existence. I was not aware of the 'C'." (140a)

That was the totality of Greeff's evidence to show that it was damaged or might be damaged by Malden's use of a

copyright symbol on the reverse side of its test samples of the accused pattern. Accordingly, at the end of plaintiff's case Judge Cannella found that "there is no proof at all here, not even a scintilla as to the threshold question involved here" (254a), and granted Malden's motion to dismiss Greeff's Lanham Act claim. In his decision Judge Cannella reiterated his finding and dismissal of Greeff's Lanham Act claim as follows:

"As stated by the Court during the trial of this action, there is absolutely no evidence in the record of any injury to plaintiff due to the appearance of the copyright symbol next to the Malden name on the reverse side of Malden's strike-offs of the fabric design in question. Accordingly, this claim is dismissed."  
(437a)

In its brief herein, Greeff does not, as it cannot, deny that it failed to produce at trial a single witness who had ever seen a copyright symbol on Malden's strikeoffs. Nevertheless, Greeff argues (p. 67 of its brief) that merely because it invoked the magic words "Lanham Act":

"The burden should have been placed on the defendant to show that its application of a false copyright notice to samples of its infringing copy of plaintiff's copyrighted design, and its use of such samples in the solicitation of business, has not injured and is not likely to injure the plaintiff or plaintiff's customers, and has not deceived or misled and is not likely to deceive or mislead the public and, especially, the upholstered furniture manufacturing industry."

The burden which Greeff would have the courts place upon a party who is merely accused, no matter how unreason-

ably, of violating the Lanham Act, provides the most vivid demonstration of the necessity for a threshold showing of injury on the part of a would-be plaintiff under Section 43(a) of the Lanham Act. *Cf. Marshall v. Proctor & Gamble Manufacturing Co.*, 170 F. Supp. 828, 835 (D. Md. 1959) ("Even plaintiff does not contend that it is sufficient for a plaintiff merely to allege 'I believe I am likely to be damaged.'"). *See also* discussion of required threshold showing in *Potato Chip Institute v. General Mills, Inc.*, 333 F. Supp. 173 (D. Neb. 1971).

Finally, as stated in the affidavit of George E. Goldberg sworn to June 10, 1976 and submitted in opposition to Greeff's motion for partial summary judgment on its Lanham Act claim, Malden has long since ceased using any copyright symbol on its strikeoffs of this fabric. Indeed, Malden has long since ceased using any strikeoffs of this fabric, since strikeoffs are naturally destroyed once production goods are available. Thus, as Greeff knows, this issue is moot.

**CONCLUSION**

The judgment of the District Court should be affirmed  
in all respects.

Respectfully submitted,

KREINDLER, RELKIN & GOLDBERG  
*Attorneys for Defendant-Appellee*  
*Malden Mills Industries, Inc.*

By: .....  
George E. Goldberg  
A Member of the Firm

STATE OF NEW YORK )  
COUNTY OF NEW YORK) ss.:

Vincent Panza, being duly sworn,  
deposes and says that deponent is not a party to the action  
is over 18 years of age and resides at 2002 Ellis Ave  
Brooklyn

That on the 6 day of DECEMBER, 1976,  
deponent personally served the within BRIEF OF  
DEFENDANT - APPELLEE  
upon the attorneys designated below who represent the  
indicated parties in this action and at the addresses below  
stated which are those that have been designated by said  
attorneys for that purpose.

By leaving 2 true copies of same with a duly  
authorized person at their designated office.

~~By depositing true copies of same enclosed~~  
~~in a postpaid properly addressed wrapper, in the post office~~  
~~or official depository under the exclusive care and custody~~  
~~of the United States post office department within the State~~  
~~of New York.~~

Names of attorneys served, together with the names  
of the clients represented and the attorneys' designated  
addresses.

STOLL & STOLL  
ATTORNEYS FOR PLAINTIFF-APPELLANT  
350 FIFTH AVE.  
NEW YORK, N.Y.

Sworn to before me this

6<sup>th</sup> day of December, 1976

Vincent Panza  
Michael De Santis

MICHAEL DeSANTIS  
Notary Public, State of New York  
No. 140030208  
Qualified in Bronx County  
Commission Expires March 30, 1977 27

Counsel Press, 55 West 42nd Street, PH 6-8460